

FIG. 2

32

TRADITIONAL CALCULATION APPROACH

ESTABLISHED CALCULATION METHOD FOR AFFORDABILITY TABLE
GIVEN A TARGET HOUSE PAYMENT,
MUST SOLVE FOR HOUSE PRICE USING GOAL SEEK FROM TOOL BAR

INPUT HOUSE PRICE	100000
INPUT RATE	7.50%
INPUT ANNUAL T&I AS PERCENT OF HOUSE PRICE	1.50%
INPUT TERM IN MONTHS	360
INPUT HOUSEING RATIO	33%
INPUT MI ANNUAL RATE	0.78%
INPUT LTV	95%
OUTPUT: HOUSE PAYMENT	851
OUTPUT: GROSS MONTHLY INCOME NEEDED	2579

100000 7.50% 1.50% 360 33% 0.78% 95% 851 2579

FIG. 3

MORTGAGE INSURANCE AFFORDABILITY CALCULATOR

INPUT MONTHLY INCOME 3000
 INPUT CASH AVAILABLE TO CLOSE 9600
 INPUT HOUSING RATIO 33%
 MAXIMUM PAYMENT 990 d
 INPUT RATE 7.50% 0.625%
 INPUT ANNUAL T&I AS PERCENT OF HOUSE PRICE 1.50% 0.125%
 INPUT MONTHS OF PREPAIDS DUE AT CLOSING 2
 INPUT TERM IN MONTHS 360
 INPUT SETTLEMENT COSTS AS % OF HOUSE PRICE 3%
 PREPAIDS AS % OF HOUSE PRICE 0.25%
 INPUT HOUSE VALUE APPRECIATION ASSUMPTION 3%

LTV SCENARIO		100%
LOOKUP HI ANNUAL RATE	0.080%	0.86%
MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED)		276,323
DOWNPAYMENT		276,323
LOAN AMOUNT		9,000
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		0.05%
ADDITIONAL GFEE ASSUMED	0.55%	
MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED)		105,067
DOWNPAYMENT		105,067
LOAN AMOUNT		3,415
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		
MAXIMUM HOUSE AFFORDABLE (OVERALL)		108,462
PITI		\$50.03
EQUITY POSITION AFTER YEAR		
1		\$4,121
2		\$8,411
3		\$12,880
4		\$17,536
5		\$22,380
6		\$27,451
7		\$32,732
8		\$38,243
9		\$43,986
10		\$50,009

LTV SCENARIO		90%
LOOKUP HI ANNUAL RATE	0.065%	0.782%
MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED)		109,091
DOWNPAYMENT		5,455
LOAN AMOUNT		103,638
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		3,545
MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED)		116,333
DOWNPAYMENT		5,817
LOAN AMOUNT		110,517
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		3,415
MAXIMUM HOUSE AFFORDABLE (OVERALL)		114,290
PITI		\$28
EQUITY POSITION AFTER YEAR		
1		\$9,683
2		\$14,083
3		\$14,083
4		\$23,436
5		\$20,406
6		\$33,581
7		\$38,995
8		\$44,632
9		\$50,515
10		\$56,658

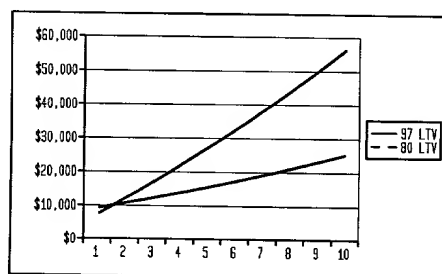
LTV SCENARIO		85%
LOOKUP HI ANNUAL RATE	0.027%	0.32%
MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED)		49,315
DOWNPAYMENT		7,307
LOAN AMOUNT		41,918
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		1,603
MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED)		133,423
DOWNPAYMENT		20,014
LOAN AMOUNT		113,410
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		4,338
MAXIMUM HOUSE AFFORDABLE (OVERALL)		49,315
PITI		\$66
EQUITY POSITION AFTER YEAR		
1		\$9,263
2		\$11,203
3		\$13,222
4		\$15,322
5		\$17,508
6		\$19,785
7		\$22,158
8		\$24,628
9		\$27,205
10		\$29,893

LTV SCENARIO		67%
LOOKUP HI ANNUAL RATE	0.080%	0.86%
MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED)		144,000
DOWNPAYMENT		4,320
LOAN AMOUNT		139,680
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		4,660
MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED)		112,393
DOWNPAYMENT		3,372
LOAN AMOUNT		109,021
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		3,653
MAXIMUM HOUSE AFFORDABLE (OVERALL)		112,674
PITI		\$90.00
EQUITY POSITION AFTER YEAR		
1		\$7,749
2		\$12,305
3		\$17,049
4		\$21,931
5		\$27,141
6		\$32,511
7		\$38,111
8		\$43,954
9		\$50,053
10		\$56,422

LTV SCENARIO		80%
LOOKUP HI ANNUAL RATE	0.043%	0.52%
MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED)		67,325
DOWNPAYMENT		6,732
LOAN AMOUNT		61,592
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		2,206
MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED)		121,796
DOWNPAYMENT		12,480
LOAN AMOUNT		112,317
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		4,056
MAXIMUM HOUSE AFFORDABLE (OVERALL)		97,999
PITI		\$35
EQUITY POSITION AFTER YEAR		
1		\$9,394
2		\$12,100
3		\$14,915
4		\$17,848
5		\$20,902
6		\$24,083
7		\$27,389
8		\$30,830
9		\$34,482
10		\$38,225

LTV SCENARIO		80%
LOOKUP HI ANNUAL RATE	0.000%	0.06%
MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED)		38,710
DOWNPAYMENT		7,742
LOAN AMOUNT		30,968
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		1,258
MAXIMUM HOUSE AFFORDABLE (INC CONSTRAINED)		144,658
DOWNPAYMENT		28,932
LOAN AMOUNT		115,727
CASH NEEDED TO CLOSE (BEYOND DOWNPAYMENT)		4,701
MAXIMUM HOUSE AFFORDABLE (OVERALL)		56,710
PITI		\$65
EQUITY POSITION AFTER YEAR		
1		\$9,189
2		\$10,682
3		\$12,256
4		\$13,882
5		\$15,574
6		\$17,335
7		\$19,168
8		\$21,079
9		\$23,069
10		\$25,144

HI LETS YOU BUY MORE HOUSE NOW,
 AND BUILD MORE EQUITY IN THE FUTURE!



36

FIG. 4

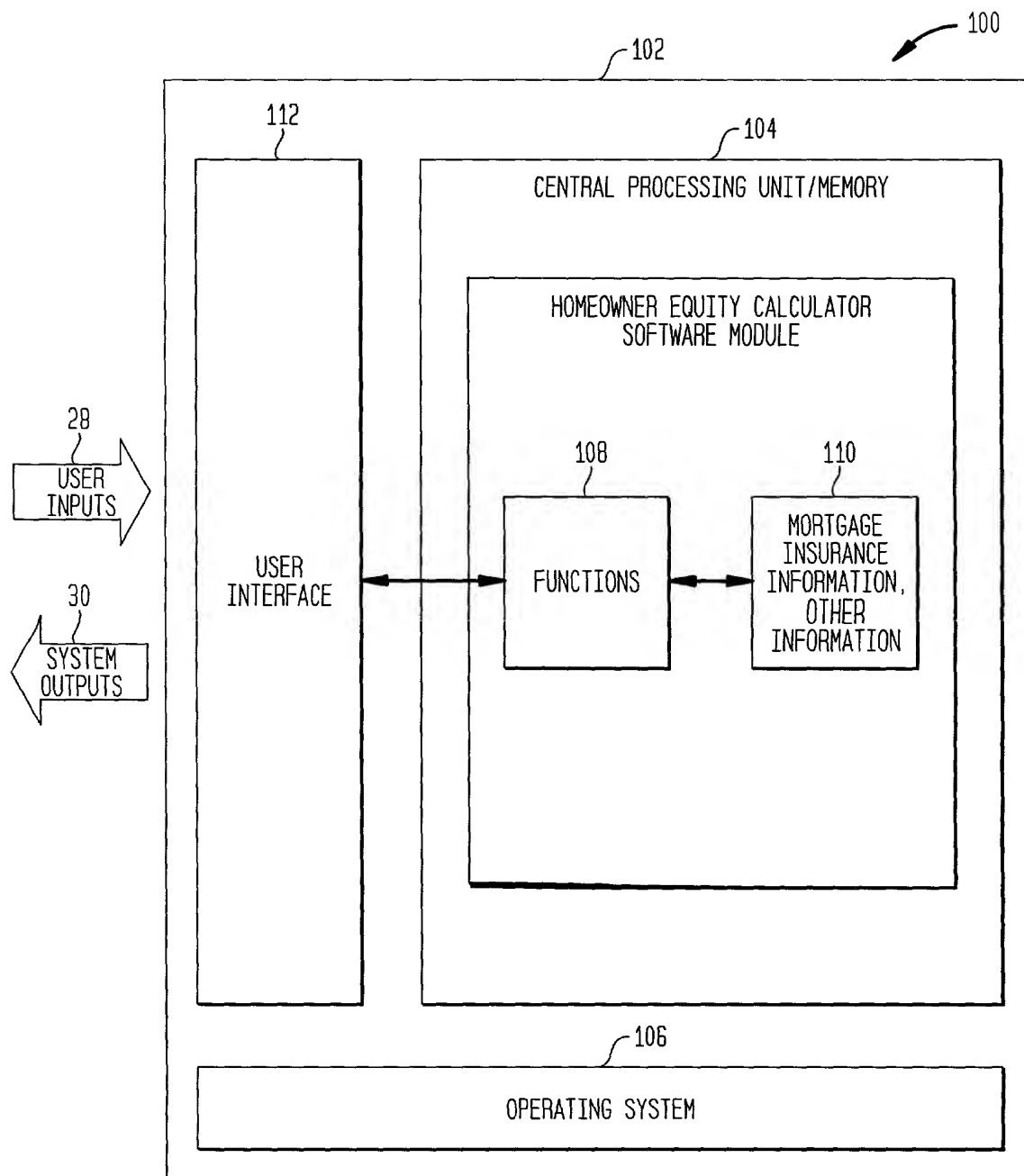


FIG. 5

